GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:2982
ANSWERED ON:10.08.2001
DISINVESTMENT OF AIR INDIA
HARIBHAU MAHALE

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have recently disqualified Hindujas from bidding for Air India and Indian Airlines;

(b) if so, the reasons therefor; and

(c) the time by which the process of disinvestment is likely to be completed ?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a)&(b) The Government has issued a show cause notice to AL Consortium (comprising M/s Ashok Leyland Limited, Machen Development Corporation and Hinduja Finance Corporation Limited) as to why the AL Consortium should not be disqualified from the bidding process for both Air India (AI) and Indian Airlines (IA). The show cause notice has been issued pursuant to the conditions prescribed in expression of interest, `Request for Proposal` for sale of AI and IA, and guidelines issued by the Government on 13th July 2001, regarding qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment.

(c) It is not possible to indicate the time by which the process of disinvestment is likely to be completed.